

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

Revised

House Bill 1302 (Delegates Guns and Rudolph)
Commerce and Government Matters

Vehicle Laws - Historic Motor Vehicles, Street Rods, and Custom Vehicles

This bill alters the definition of "street rod" to exclude vehicles that are newer than specified model years. The definition of "historic motor vehicle" is altered to allow for minor cosmetic changes to the manufacture's original design. The bill further establishes a Class O vehicle classification for "custom vehicles" and sets the registration fee at \$13.50 for such vehicles. A custom vehicle is defined as a vehicle that is of a model year after 1948, is at least 25 years old, and has been substantially altered from the manufacturer's original design. To be registered as a Class O vehicle, the vehicle must be maintained for use in exhibitions, club activities, parades, tours, occasional transportation, and similar uses, but may not be used for general daily transportation or for the transportation of passengers or property on highways. Class O vehicles are exempt from any periodic vehicle inspection requirements, including emission control inspections. However, the bill requires that street rods and custom vehicles pass certain safety inspections prior to registration and transfer of ownership.

Fiscal Summary

State Effect: Potential indeterminate increase in Transportation Trust Fund (TTF) expenditures. Indeterminate effect on TTF revenues.

Local Effect: None.

Small Business Effect: Minimal.

Fiscal Analysis

Background: Currently, there are two similar types of vehicle classifications, historic motor vehicles and street rods. Both classifications require certification that the vehicles will be used only for exhibitions, parades, and similar events and not for daily general transportation.

An historic motor vehicle may not be substantially altered from the manufacturer's original design, and conversely, a street rod must be substantially altered from the manufacturer's original design.

State Revenues: The level of interest that could be generated by this type of registration cannot be reliably estimated at this time. It is assumed that most of the vehicles that could register as custom vehicles are already registered as street rods. However, the bill requires that a street rod be defined as a motor vehicle that is a 1948 model year vehicle or older. Any currently registered street rod that doesn't meet this new requirement could be registered as a custom vehicle. Both classifications carry a registration fee of \$13.50. To the extent that additional vehicles register as a custom vehicle and are not already registered as a street rod, TTF revenues could increase.

This bill also provides that vehicles under the new classification are exempt from emissions testing. The current fee for an emissions test is \$12. Assuming that a minimal number of vehicles would register as a custom vehicle as discussed above, TTF revenues could decrease by a minimal amount.

State Expenditures: A minimum of 2,000 registration plates must be ordered by the Motor Vehicle Administration (MVA) when a new classification is established. The cost to produce and distribute such plates and to produce and distribute registration cards and stickers is \$7.05 per registration. Thus, TTF expenditures would increase by \$14,100. However, to the extent that additional fees may be collected under the new classification, the costs may be offset by the increased revenue.

The MVA advises that computer programming expenditures could increase by an estimated \$50,000 to modify the computer programs to accept a new tag and class series. The Department of Legislative Services (DLS) advises that if other legislation is passed requiring computer reprogramming changes, economies of scale could be realized. This would reduce computer programming costs associated with this bill and other legislation affecting the MVA system. Further, DLS advises that the increased computer expenditure is simply an estimate and the MVA may be able to handle the changes with either less money than it estimates or existing resources.

Information Source(s): Department of Transportation (Motor Vehicle Administration),

Department of Legislative Services

Fiscal Note History:

First Reader - March 19, 1998

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